



**DEPARTMENT OF COMMERCE**

**[Docket Number: 231121-0276]**

**Business Diversity Principles**

**AGENCY:** Office of the Secretary, U.S. Department of Commerce

**ACTION:** Notice; request for information.

**SUMMARY:** The Department of Commerce is seeking public input on the draft Business Diversity Principles (BDP), which describe best practices related to diversity, equity, inclusion, and accessibility (DEIA) in the private sector, and on the impact of DEIA initiatives.

**DATES:** Comments must be received by January 5, 2024.

**ADDRESSES:** To respond to this Request for Information (RFI), please submit electronic public comments via the Federal e-Rulemaking Portal.

1. Go to [www.regulations.gov](http://www.regulations.gov) and enter DOC-2023-0003 in the search field,
2. Click the “Comment Now!” icon, complete the required fields, and
3. Enter or attach your comments.

Comments sent by any other method, to any other address or individual, or received after the end of the comment period, may not be considered.

**FOR FURTHER INFORMATION CONTACT:** Brandee Anderson, Senior Advisor to the Deputy Secretary, at 202-880-4006 or [banderson@doc.gov](mailto:banderson@doc.gov). Please direct media inquiries to Valerie Keys in the Office of Public Affairs at 202-802-8166 or [vkeys@doc.gov](mailto:vkeys@doc.gov).

**SUPPLEMENTARY INFORMATION:**

**Background**

On January 21, 2021, President Biden signed Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities through the Federal Government. On February 16, 2023, President Biden signed Executive Order 14091, Further Advancing Racial Equity and Support for Underserved Communities through the Federal Government. Under these Executive Orders, the Biden-Harris Administration outlined an “ambitious, whole-of-government approach to racial equity and support for underserved communities” that “continuously embed[s] equity into all aspects of Federal decision-making.” Additionally, EO 14091 declared that

“the Federal Government shall continue to pursue ambitious goals to build a strong, fair, and inclusive workforce and economy” and “invest in communities where Federal policies have historically impeded equal opportunity – both rural and urban – in ways that mitigate economic displacement, expand access to capital . . . and build community wealth.” Equitable participation in our Nation’s economy provides a path to economic prosperity and intergenerational wealth for Americans in underserved communities and ensures that the economy benefits from the talent and potential across the country. The Department of Commerce is committed to implementing Executive Orders 13985 and 14091 and is developing the Business Diversity Principles (BDP) Initiative as part of its 2022-2026 Strategic Plan goal of promoting inclusive capitalism and equitable economic growth for all Americans. The BDP Initiative aims to foster a more equitable economic landscape by encouraging businesses to learn from each other’s successes and adopt best practices and strategies that help promote economic growth in underserved communities through diversity, equity, inclusion, and accessibility (DEIA) initiatives. This Initiative seeks to recognize the range of private sector efforts that focus on DEIA, including but not limited to human resources, workforce development and supplier diversity efforts. In recognition of the wide array of terms used to describe these efforts, the Department will collectively refer to these private sector initiatives that seek to advance equitable economic development under the umbrella term "Business Diversity."

Research shows that these initiatives are essential to the competitiveness of the Nation’s businesses and overall American economy.<sup>1</sup> The Business Diversity Principles Initiative is an opportunity for the Department to: (i) advance equity and support for underserved communities, and (ii) invest in the Nation’s infrastructure, emerging and critical technology fields, and workforce development. The Department of Commerce’s mission is to create the conditions for economic growth and opportunity for all communities. The Business Diversity Principles advance this mission by enabling the private sector to gain cross-industry insights, expand existing efforts, and embed Business Diversity across their business operations.

The Initiative seeks to help private sector institutions build on their commitments to equity and economic development by providing a set of best practices (the "Business Diversity Principles") and other tools for operationalizing Business Diversity. The Department of Commerce intends for the Business Diversity Principles to serve as the first step in a longer term effort to convene private sector Business Diversity leaders, amplify

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<sup>1</sup> McKinsey & Company, “Diversity Wins: How Inclusion Matters,” (May 19, 2020), <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>

existing efforts, and inspire additional, voluntary Business Diversity efforts. In addition to developing the Business Diversity Principles, this RFI will help the Department shape the next phase of the Initiative, which may include other public engagement opportunities.

### **Goals of this Request for Information**

This RFI invites the public to inform the content of the Business Diversity Principles, share success stories and best practices related to Business Diversity, and comment on the impact of DEIA initiatives. Comments are invited from all interested parties, including private sector employers, workers, Business Diversity subject matter experts, educational leaders, civil rights advocates, and any other relevant stakeholders. The goal of this RFI is to gather input that will be used to refine the Business Diversity Principles and refine the next phases of the Initiative, and develop resources to help the private sector bolster, enhance and expand its Business Diversity efforts.

The Department of Commerce seeks input on the below draft Business Diversity Principles as well as the impact of Business Diversity initiatives.

- **Feedback on Draft Business Diversity Principles**—The Department developed the draft Principles based on input from the private sector and subject matter experts, in addition to secondary research on private sector best practices related to Business Diversity. The draft Principles center on the following six pillars: (1) executive leadership, (2) organizational strategy, (3) workforce development, (4) human resources, (5) community investment, and (6) business opportunities. The Department is interested in hearing from members of the public on the draft Principles.
- **Existing Business Diversity Efforts**—The Nation’s economic competitiveness depends on a highly skilled, diverse workforce capable of meeting companies’ current and future needs. Private sector Business Diversity efforts seek to ensure that all workers, suppliers, and communities are included in the organization’s economic prosperity. The Department is interested in hearing from members of the public and the business community on existing Business Diversity efforts, including real world examples of strategies and best practices relating to the Business Diversity Principles.

### **Business Diversity Principles**

Each of the following six principles presents a set of strategies and objectives aimed at promoting equity and economic development. These principles function as an organizational framework for best practices and offer clear actions that institutions can take to drive equity, innovation, and economic growth.

**Executive Leadership:** Strive for diverse c-suites and corporate boards by developing clear strategies to increase diversity among the organization's executive ranks. Understand and break down barriers to executive roles for internal and external candidates. Ensure leaders model equitable and inclusive behavior and possess key competencies, such as empathy, cultural competence, and inclusive leadership. Ensure leaders have the necessary resources to drive business diversity efforts, such as toolkits, research, and access to DEIA professionals. Recognize leaders' commitment to Business Diversity and hold them accountable through performance evaluations and compensation.

**Organizational Strategy:** Use comprehensive assessments to evaluate the current state of Business Diversity within the organization, including demographic data across all levels and departments, company policies, practices, and workers' perceptions. Develop and maintain DEIA councils, which oversee the implementation of Business Diversity initiatives and ensure alignment with overall company objectives. Regularly share progress updates to promote transparency and accountability.

**Workforce Development:** Cultivate and maintain a diverse talent pipeline by partnering with educational institutions and community organizations and allocating resources for workforce development initiatives and accommodations. Remove barriers to entry, using demographic data to understand workforce composition, identify gaps, and shape organizational strategy. Equip workers, including those from underserved communities, with the necessary skills for advancement.

**Human Resources:** Prioritize the promotion of internal talent, regularly review promotion data to identify barriers, provide senior leader sponsors for workers from underserved communities. Establish and maintain employee resource groups for workers from underserved communities. Clearly communicate potential internal career paths and advancement opportunities. Foster work-life balance through HR policies, such as flexible working arrangements, comprehensive parental leave, support for caregivers, and inclusive benefits packages.

**Business Opportunities:** Create an inclusive supply chain that expands opportunities for entrepreneurs from underserved communities at all levels, from food service to construction to financial and consulting services.

Invest in mentorship and training programs that help companies navigate industry challenges, build capacity for procurement opportunities, and enhance skill sets. Facilitate access to capital for companies through strategic partnerships and other innovative approaches. Provide networking opportunities for entrepreneurs from underserved communities and encourage recognized certifications to enhance visibility and credibility. Implement inclusive request for proposal processes that eliminate barriers and ensure transparency and accountability.

**Community Investment:** Invest in capacity building and innovation within communities and ensure the organization's community investment initiatives are accessible to all and promote economic mobility. Use scholarships, incubator programs, and other community-based initiatives to break down barriers and expand opportunities for people from underserved communities to access employment and business opportunities. Understand the organization's target communities' needs and barriers to access. Set measurable goals to track the success of these initiatives.

### **Public Meetings**

The Department may hold future workshops to explore in more detail questions raised in the RFI. Notice and details about any potential future workshop dates and registration deadlines will be announced at [www.commerce.gov](http://www.commerce.gov).

### **Details About Responses to This Request for Information**

When addressing the topics below, commenters may describe the practices of their organization or a group of organizations with which they are familiar. If desired, commenters may provide information to describe programs and organizations, including information about type, general demographics, size, and location. The provision of such information is optional and will not affect the Department's full consideration of the comment.

All relevant comments received in response to the RFI will be made publicly available on [www.regulations.gov](http://www.regulations.gov). Comments containing references, studies, research, and other empirical data that are not widely published should include electronic copies of the referenced materials. All submissions, including attachments and other supporting materials, will become part of the public record and will be subject to public disclosure. Personal information, such as account numbers or Social Security numbers, or names of other individuals, should not be included. Notwithstanding the foregoing, submissions labeled as confidential business information, or otherwise sensitive or protected information may be submitted and will not be subject to public

disclosure. Comments that contain profanity, vulgarity, threats, or other inappropriate language or content will not be considered.

### **Specific Requests for Information**

The following statements and questions cover the major topic areas about which the Department seeks comment. They are not intended to limit the topics that may be addressed. Responses may include any topic believed to inform U.S. Government efforts to bolster, enhance, and expand private sector Business Diversity efforts that drive economic growth, regardless of whether the topic is included in this document.

This is a general solicitation of comments from the public. Respondents are encouraged to respond to **any or all** of the following questions and topic areas and may address related topics. Please identify the questions or topic areas each of your comments address. Responses may include estimates, if applicable. Please indicate where the response is an estimate. Respondents may organize their submissions in response to this RFI in any manner.

The Department is requesting information related to the following topics:

#### **Feedback on Draft Business Diversity Principles**

1. Please provide your feedback on the Business Diversity Principles. Do you have recommendations for revising these Principles?
2. How can these principles be improved or clarified to better promote Business Diversity in the private sector? Are any best practices missing, in your view?
3. Are there any specific elements of the Business Diversity Principles that you would consider especially important?

#### **Existing Business Diversity Efforts**

1. To what extent are each of the Business Diversity Principles aligned with your organization's current practices? Which of the Principles represent the greatest growth opportunity for your organization or private sector organizations overall?
2. Please share specific examples of successful Business Diversity initiatives.
3. Please describe any strategies that have been effective in promoting Business Diversity in your organization or industry.
4. Are there specific challenges or obstacles that organizations frequently encounter when implementing Business Diversity initiatives? How can these be overcome?

5. Do Business Diversity initiatives make your business more likely to succeed commercially? How?
6. Do Business Diversity initiatives create value and encourage growth for your business? How?
7. Would the cessation of Business Diversity initiatives harm your business? How?
8. Does your industry have a history of exclusion, discrimination, or inaccessibility to any group of actual or potential employees, executives, business partners, customers, or other stakeholders? If so, do Business Diversity initiatives help your business and/or industry remedy the continuing effects of that exclusion, discrimination, or inaccessibility? How?
9. Does the success of your business and/or industry enhance the national and/or economic security of the United States? If so, do Business Diversity initiatives contribute to your ability to advance that national interest? How?
10. Can the impacts discussed in response to the above questions be quantified or otherwise measured? How? To the extent available, please provide data demonstrating those impacts.
11. What role do you believe the government should play in promoting Business Diversity within the private sector?
12. How can the Department of Commerce and other federal agencies support private sector Business Diversity efforts? What would be the most important outcome from this effort?
13. How might the Business Diversity Principles help you in your day-to-day operations? For example, might the Principles inform your investment decisions, or purchasing decisions, advocacy focus, the type of organization you would want to work for, or how you would allocate business resources toward making a positive impact?

The Department of Commerce appreciates your valuable input and looks forward to reviewing your submissions.

Dated: November 24, 2023

Brandee Anderson,

Senior Advisor for Diversity, Equity, Inclusion, and Accessibility

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